

RAILROADS' FUTURE IS BEING ADJUSTED

Taft In Conference With Heads of Great Eastern Systems.

DELAY IN INCREASE IN RATES EXPECTED

Example of Western Roads Will Be Followed, It Is Believed—Congratulations Pour In.

(Continued from First Page.)

railroads in Western Trunk Line territory agreed through a committee representing them to withdraw their rate increases, and the President agreed to drop the proceedings under the Sherman law begun in Missouri, there were highly important developments in the railroad situation today.

These messages came from many sources and gave much satisfaction to the White House. Some of them were from men high in the financial world. The only question raised was how far the President had gone in assuring the roads the Sherman law would not be used to attack traffic agreements. Some expressed the opinion that immunity had been promised in other cases than the one relating to the Western Trunk Line Association.

This was strongly denied at the White House. It was said the President had given no promise save that the suits begun in Missouri would be withdrawn if the increases of rates by the Western roads were withdrawn.

Morgan Man Pleased.
George V. Perkins, of J. P. Morgan & Co., who arrived in Washington today to take up legislative questions affecting railroads and the rate increases, today discussed the rate agreement as follows:

"The railroad question affects managers and owners of railroads, the managers of the Government, shippers, investors, and the public. The arrangements which President Taft and Attorney General Wickham have negotiated gives to all these interests what we have never heretofore had in this country, namely, an equal fair plan of procedure. When it becomes effective, which will be in the very near future, the railroads, shippers, public, investors, and the Government will no longer be continually at variance with each other and the far-reaching, beneficial and permanent effect of this, can scarcely be overestimated."

These developments related both to the railroad rate situation and the railroad bill. The conference with the Eastern railroad presidents at the White House occupied attention along with the consideration of the railroad bill in the House where the question of whether to concur in the Senate bill was taken up.

Confers With President.

President Taft early today, before the Cabinet meeting again conferred with President Deno, of the Wabash, and President Felton, of the Great Western. Attorney General Wickham was present. It was explained that the meeting was for the purpose of going over some details of the arrangement entered into yesterday. Moreover, the President invited the Western railroad presidents to be present at the conference this afternoon, but they did not think they could accept as they are hurrying back to Chicago to report to representatives of the twenty-four Western railroads against which the Government has entered suit.

Both Mr. Delano and Mr. Felton expressed themselves as well satisfied with the arrangement entered into, whereby the Government is going to drop the proceedings begun under the Sherman law and the rate increases will be given up to the present, to be relied upon the new law. President Ripley, of the Santa Fe, was not present, having left Washington last night.

After seeing Messrs. Delano and Felton, the President then talked with Senator Crane and Mr. Mann, and it was the feeling of the conference that the new bill ought to be put into effect on passage.

In pursuance of this conference, the President sent his special message to Congress emphasizing the need for putting the bill into effect without delay.

Congratulations to Taft.
Messages poured into the White House throughout the morning congratulating the President for entering into an arrangement that would bring tranquility to the present disturbed financial situation.

TAFT IN MESSAGE TO CONGRESS ASKS RATE BILL CHANGE

After conferring with Senator Murray Crane and Representative Mann today, President Taft sent the following message to Congress:

"To the Senate and House of Representatives:
A recent effort by a large number of railroad companies to secure for interstate transportation of persons and property caused me to direct the Attorney General to bring a suit and secure from the United States court in Missouri an injunction restraining the operation of such increased rates during the pendency of the proceeding.

"This action led to a conference with the representatives of the railroad companies so enjoined, and the agreement by each of them to withdraw the proposed increases of rates effective on or after June 1, and to file any further attempted increases until after the enactment into law of the pending bill to amend the interstate commerce act, or the adjournment of the Congress; with the further understanding that upon the enactment of such law each would submit to the determination of the Interstate Commerce Commission the question of the reasonableness of all increases that each might thereafter propose.

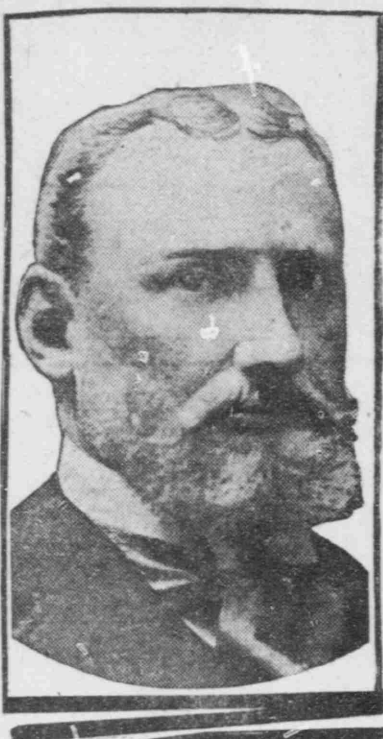
Hopes All Roads Will Join.

"It is my hope that all of the other railroad companies will take like action. In order, however, that each may have the benefit of a speedy determination of the question whether or not its proposed increases in rates are justifiable, provision should be made by Congress to vest the Interstate Commerce Commission with jurisdiction over such question as soon as possible.

"In the Senate amendment to section 15 of the act to regulate commerce as contained in H. R. 15308, the Interstate Commerce Commission is empowered, immediately upon the filing of a proposed increase in rates, or its own motion, or upon complaint, to enter upon an investigation and determination of the justice and reasonableness of such increase, and in case it deems it expedient, to suspend the operation thereof.

Watch for a city at Randle Highlands. Advt.

HEAD BIG EASTERN RAILROAD COMPANIES



PRESIDENT McCREA, Of the Pennsylvania.



Copyright, by Geo. Grantham Bain.
PRESIDENT W. C. BROWN, Of the New York Central.

over the railroad rate increase question in all likelihood for the present. The Interstate Commerce Commission will have nearly a year in which to pass on the proposed increases in rates. Shippers will have a respite from increased freights for the time being.

Not only this, but the railroad rate question will not be forced to the front in the Congressional campaign in the fashion which for a time was threatened. The decision for a truce in the rate situation was reached at the conference yesterday afternoon, and last evening between the President, Secretaries Knox and Nagel, and Attorney General Wickham on the one hand, and Presidents Ripley of the Santa Fe, Delano of the Wabash, and Felton of the Great Western, and Walker D. Hines, acting chairman of the Santa Fe executive committee, on the other.

Began at 3 o'clock.
This conference began at 3 o'clock, and lasted all afternoon and until 7 o'clock in the evening. Chairman Knapp and Commissioner Lane, of the Interstate Commerce Commission, were called into it about 5 o'clock. They were asked to participate in order to learn whether the railroads could withdraw the increased rates they have already filed. The commissioners made it clear that no objection would be raised by the commission to the withdrawal.

The result of the conference was set forth in the following White House statement:
E. P. Ripley, president of the Atchafalaya, Topeka, and Santa Fe Railroad Company; Walker D. Hines, acting chairman executive committee, Atchafalaya, Topeka, and Santa Fe Railroad Company; Frederic A. Delano, president of the Wabash Railroad Company; S. M. Felton, president of the Chicago Great Western Railroad Company; a committee representing the twenty-four railroad companies defendant in a suit brought by the Government in Missouri, in which Judge Dyer granted an injunction restraining increases in rates, met the President and Attorney General today, pursuant to a request sent to the President a few days since.

President's Position.
The President stated to these gentlemen at the outset that the purpose of the suit was to prevent the proposed rate increases (which under the existing law could not be investigated at all until after they had become effective), so as to preserve the status until the new statute could be passed and the commission should have the power to investigate rate advances as soon as announced and before becoming effective.

He stated further that he thought the railroad companies must withdraw the tariffs enjoined and all other tariffs filed by them effective on or after June 1, 1910, and that some of them ought not to file any new tariffs involving rate advances until the new law was passed, assuming that it would be passed at the present session of Congress.

"After conference the railroad companies announced that they would adopt the view expressed by the President, and thereupon the President stated that if they did so, his purpose in bringing the suit would be accomplished, and, the result being accomplished, he saw no occasion for pressing the suit, and the same would be withdrawn."

Will Stop Turnout.
As the net result of all this, there will be a cessation of trouble and turnout.

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RAILWAY EARNINGS SHOW BIG INCREASE

Statistics for Part of Fiscal Year Point to Record Results.

ADDED EXPENSES WILL CUT IT DOWN

Officials Will Make Point That Larger Expenditures Offset Advantage.

The accompanying statistics are taken from the reports of the Interstate Commerce Commission and are of special interest at this time as showing what the earnings of the American railroads have been in the past five years. The figures for operating revenues and expenses and net operating revenues for the years ending June 30, 1906, 1907, 1908, and 1909, were compiled by the Interstate Commerce Commission from the annual reports of the railroads. The figures for the first eight months of 1910 were taken by a representative of The Times from the monthly reports of the railroads to the Interstate Commerce Commission. The reports for the last four months are not yet available.

It will be noted that the net operating revenue for the year ending June 30, 1907, was more than \$1,000,000,000.

This was the most prosperous year American railroads had ever had. Then came the panic of 1907, and that year, ending June 30, 1908, net operating revenues fell off more than \$100,000,000.

Revenues Climb.

The figures show, however, that net operating revenues climbed back to within about \$1,000,000,000 of 1907, the year after the panic, that ending June 30, 1909. It will be noted further that the first eight months of the fiscal year 1910 show an increase over the corresponding months of 1909 of about \$50,000,000.

Estimating operating revenues and expenses for the last four months of this year as half of the first eight months, or carrying the year out proportionately, the net operating revenues for 1910 are found to be \$967,515,870, an increase of nearly \$127,000,000 over the banner year of history, 1907.

The railway officials, however, argue that the increases in wages recently granted will run up the operating expenses during this last four-month period of 1910 to a point that will materially cut down this estimated net operating revenue, and that in the coming year these wage increases will greatly reduce the difference between operating receipts and operating expenses.

Must Explain.

When the railways file their notices of increased rates—as it is now understood they will do after the new rate law goes into effect—they will be under the necessity of explaining in a convincing way to the Interstate Commerce Commission why the increases are necessary in the face of the steadily mounting net operating revenues.

By that time the Interstate Commerce Commission probably will be in possession of the railways' reports for the full twelve months up to June 30, 1910. Then, but not until then, will it be possible to ascertain exactly what effect the increased wages have had on net income.

The figures on the railroads' earnings and the wage increases will be among the chief factors considered by the Interstate Commerce Commission in deciding whether increases in rates are justifiable.

RAILWAY EARNINGS

Compiled from Reports of the Interstate Commerce Commission.

YEAR ENDING JUNE 30, 1906.	
Operating revenues.....	\$2,325,765,167
Operating expenses.....	1,539,877,271
Net operating revenues.....	785,887,896
Credit, P. & L., \$112,334,761.	
YEAR ENDING JUNE 30, 1907.	
Operating revenues.....	\$2,589,105,578
Operating expenses.....	1,748,515,814
Net operating revenues.....	840,589,764
Credit, P. & L., \$141,323,264.	
YEAR ENDING JUNE 30, 1908.	
Operating revenues.....	\$2,421,542,004
Operating expenses.....	1,687,144,975
Net operating revenues.....	734,397,029
Credit, P. & L., \$100,876,204.	
YEAR ENDING JUNE 30, 1909.	
Operating revenues.....	\$2,443,312,234
Operating expenses.....	1,615,497,233
Net operating revenues.....	827,814,999
FIRST EIGHT MONTHS OF YEAR ENDING JUNE 30, 1910.	
Operating revenues.....	\$1,627,436,000
Operating expenses.....	1,073,559,751
Net operating revenues.....	553,876,249
FIRST EIGHT MONTHS OF YEAR ENDING JUNE 30, 1910.	
Operating revenues.....	\$1,845,141,470
Operating expenses.....	1,200,130,891
Net operating revenues.....	645,010,579
Operating revenues.....	\$2,767,712,205
Operating expenses.....	1,800,195,335
Net operating revenues.....	967,515,870
(Last 4 months estimated at half of first eight months.)	
INCREASES IN NET OPERATING REVENUES.	
1910 over 1909.....	\$139,700,871
1910 over 1908.....	233,118,841
1910 over 1907.....	126,926,106
1910 over 1906.....	178,627,974

BANK EMPLOYEES ARE ENTERTAINED

Delegates of the American Institute of Banking from many Eastern cities, who are on their way to the annual convention of the association at Chattanooga, were entertained by the Washington Chapter yesterday with trips around the city and to Mount Vernon.

At 10 o'clock the visitors were received by President Taft, after which they were received by Vice President Sherman at the Capitol, where luncheon was served. Speaker Cannon addressed them shortly afterward.

A dinner at the Commercial Club last night wound up the entertainments, and the visitors, augmented by the Washington delegates, left on the 10 o'clock train for Chattanooga.

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What Congress Did

IN THE SENATE.

Senator Hale today reported the sundry civil bill and asked that it be considered tomorrow. The Senate Cost of Living Committee has concluded its hearings and began its digest today. Debate on the Administration land withdrawal bill was resumed this morning. The Interstate Commerce Commission submitted a report of the proposed freight rate increases to the Senate under the recent Senate resolution. Senator Gallinger introduced a bill providing for an annual tax for public space under sidewalks occupied by private interests.

BODY CREMATED.

The body of the late R. D. Hulsey, former watchman at the Bureau of Engraving and Printing, was cremated in accordance with his wish